



Office Of Health Plan Administration
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August 15, 2006

AGENDA ITEM 4

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** Approval of Corrected 2007 CCPOA Benefit Trust Supplement to Medicare Plan Prescription Drug Benefit
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Staff recommends that the Committee approve the corrected 2007 CCPOA Benefit Trust Supplement to Medicare Plan prescription drug benefit.

IV. ANALYSIS:

Background

During final review of Evidence of Coverage (EOC) booklets for the California Correctional Peace Officers' Association (CCPOA) Benefit Trust Fund, CalPERS staff discovered a discrepancy in the Supplement to Medicare Plan prescription drug deductible stated in CCPOA's EOC booklet versus the CCPOA 2007 final rate letter approved by the CalPERS Board on June 21, 2006.

In following up with Blue Shield (CCPOA's HMO provider), CalPERS staff confirmed that, although CCPOA's June 2006 rate letter states that both its Basic and Medicare plans have a \$50 deductible for brand name prescription drugs, this deductible actually applies only to the Basic plan. CCPOA's Medicare plan has no prescription drug deductible.

On June 26, 2006, CalPERS staff contacted Michael Smalley, Assistant Administrator for CCPOA's Benefit Trust Fund, and requested a corrected rate letter (Attachment 1).

Benefit Correction

The change for the 2007 CCPOA Supplement to Medicare Plan prescription drug deductible is a correction from \$50 to \$0.

V. STRATEGIC PLAN:

This item supports CalPERS Strategic Plan, Goal III: "Design, develop and administer benefits programs and business processes that are innovative, effective, efficient, and valued by our members, employers and stakeholders."

VI. RESULTS/COSTS:

The CalPERS costs associated with this item are included in the annual budget of the Health Benefits Branch.

Staff is available to respond to any questions.

Richard Krolak, Chief
Office of Health Plan Administration

Terri Westbrook
Assistant Executive Officer
Health Benefits Branch

Attachment